



Appendix D

This Master Software License & Maintenance Agreement is effective _____, 20__, between Pegasystems Inc., located at 101 Main Street Cambridge, MA, 02142, USA ("**Pegasystems**"), and the State of Texas ("**Customer**").

1. Definitions. For the purposes of this Master Software License & Maintenance Agreement and any Schedule (collectively, the "**Agreement**"), the following definitions will apply, unless otherwise expressly stated:

"**Affiliates**" are those entities that control, are controlled by, or are under common control with the Customer. Affiliates may be entitled, subject to the terms of this Agreement and the applicable Schedule, to license Software, use Software licensed by Customer, or purchase maintenance or services. For the purpose of any Schedule to which an Affiliate is a party, the Affiliate will be considered the Customer for purposes of the Agreement and such Schedule.

"**Application**" means a collection of RuleSets as typically defined in an application rule that are tested and delivered to production as a unit.

"**Connector**" means an integration facility that permits a System to call applications for data or processing.

"**Documentation**" consists of user manuals for the Software, which are provided to Customer in electronic form at the time of delivery of the Software.

An "**Invocation**" is a call for execution of the Software by another computer application or by a person that is not a User, such as a customer or Web User. Examples include requesting a decision of the rules engine, performing a calculation, creating or advancing a work object in a workflow, updating a record, or performing self-service through the Internet. For the avoidance of doubt, multiple processes or queries performed by the Software in completing the call for execution do not result in additional Invocations.

"**License Schedule**" means a signed agreement to license products or purchase maintenance services from Pegasystems. License and Maintenance Schedules are referred to collectively as "**Schedules**". Schedule, once signed, will be non-cancelable and non-refundable, except to the extent expressly provided in this Agreement or such Schedule or under applicable law.

"**Service**" means an integration facility that permits applications to call a System for data or processing.

"**Software**" will mean the licensed software listed in the applicable License Schedule, including any service packs, upgrades or other releases provided to Customer pursuant to a paid maintenance agreement.

A "**System**" is one production environment that has a common rulebase, regardless of the number of computers or physical locations. Additional copies of the Software and the Documentation solely for the purposes of testing, quality assurance, staging, training or backup of the System are permitted.

A "**User**" is a person who uses the Software in a particular month.

"A "**Sporadic User**" is a person that uses the Software during less than 10 hourly periods in a calendar month.

An "**Occasional User**" is a person that uses the Software during between 10 and 50 hourly periods in a calendar month.

Any other person that uses the Software in a calendar month, or that has the privilege to modify rules or processes, is a "**Regular User**".

The number of Users and Invocations will be measured each calendar month. A System tracks only actual use of the Software, so a person who has a user id on the System but does not use the Software in a month will not be counted as a User for that month. Also, for the avoidance of doubt, merely being "logged in" to the System is not counted as actual use during inactive hours.

2. License Grant.

(a) As specified in an applicable License Schedule, Pegasystems grants to Customer or its applicable Affiliate a license to use the Software, in object code and/or rules form. Licenses for production will be purchased



at the time that development of an application begins. Licenses to the Software include Pegasystems' provided RuleSets and source code generated by the Software, if any. A "**RuleSet**" is a named collection of configuration records. For RuleSets supplied by Pegasystems, the RuleSet names begin with "Pega" or the "&," "@" or "(" symbol ("**Pegasystems RuleSets**"). This license is non-exclusive and non-transferable, except as provided in Paragraphs 15(b) and (c).

- (b) Customer may use the Software on any Technology Platform that is then generally supported by Pegasystems, and may switch from one generally supported Technology Platform to another (e.g., from a Windows environment to a Linux environment) at no additional charge. "**Technology Platform**" will mean hardware, operating system, database, web browser, application server or other software with which the Software is intended for use.
- (c) Unless specifically authorized under this Agreement or by law, Customer may not reverse engineer, decompile, disassemble or otherwise attempt to determine source code or protocols from the Software. Customer agrees not to lease or sublicense the Software to any third party or otherwise use it except as permitted under this Agreement or the applicable Schedule. Pegasystems retains all rights not expressly granted to Customer in this Agreement. All copies of the Software will contain Pegasystems' copyright notice.
- (d) Customer will not use shared User IDs, or aggregating technologies such as concentrators, multiplexers, gateways or edge servers, to avoid or reduce the counting of individuals that use the Software.
- (e) Pegasystems retains all right, title and interest to the Software and any derivatives, modifications and enhancements. Customer retains all right, title and interest to any RuleSets that are developed by Customer, or that are developed by Pegasystems for Customer and are specific to Customer ("**Customer RuleSets**"), but Customer will have no proprietary rights in the Software used to create Customer RuleSets or in any Pegasystems RuleSets. For avoidance of doubt, the Software is a commercial product licensed on the open market; developed entirely at private expense; and without the use of any public funds whatsoever. The Software Vendor IP as defined in Section 5.A.5 of Appendix A to DIR Contract No. DIR-TSO-2607, Standard Terms and Conditions for Product and Related Services dated 02/05/2014, and expressly is not and shall not be deemed to be Work Product as defined in Section 5.A.1 of Appendix A to DIR Contract No. DIR-TSO-2607, Standard Terms and Conditions for Product and Related Services dated 02/05/2014.

3. Maintenance. As specified in an applicable License Schedule, Pegasystems may provide Customer with maintenance services as more fully described in the applicable Schedule. The following terms and conditions will apply to maintenance services:

- (a) The maintenance term under each License Schedule I shall be one calendar year from the date of the applicable maintenance Schedule and may be renewed for up to three (3) additional one-year successive terms by written agreement of Customer and Pegasystems, at the then-current fees under such License Schedule, subject to annual inflation adjustments in accordance with Section 5. Customer shall provide prior written notice of its intent to renew or not to renew maintenance at least sixty (60) days prior to the expiration of the then-current term. If Customer elects not to renew maintenance under this clause (a), the election must be for all of the Software licensed under the applicable License Schedule, and for any additional usage of that Software licensed under other License Schedules. The applicable maintenance fees for each term will be due and payable thirty days in advance.
- (b) If the Customer licenses the Software for additional use, the corresponding maintenance fee will be assessed at the applicable percentage of the license fee, as adjusted for annual inflation increases. Any such additional maintenance fee will be prorated to reflect the period of time remaining in the then-current term and will be payable upon the date the additional usage is licensed.
- (c) In the event that Customer elects not to renew maintenance, and then later elects to renew maintenance, any reinstatement of maintenance services will be subject to the mutual agreement of the parties and Customer's payment to Pegasystems of one hundred and twenty percent (120%) of all fees that would have been payable from the time that Customer discontinued maintenance to the time of its reinstatement.

4. Term.

- (a) This Agreement is binding upon signing and will continue through the term of its Schedules. The term of each License Schedule will commence on the Effective Date of such License Schedule.
- (b) In the event that Pegasystems commits a material breach of this Agreement or any Schedule, and such



breach is uncured for thirty (30) days following receipt of Customer's written notice to Pegasystems specifying the breach, Customer may terminate this Agreement and any applicable Schedules in writing, subject to payment for all Software or services that Customer had received and accepted prior to the effective date of termination. In the event that Customer commits a material breach of this Agreement or any Schedule, including non-payment, and such breach is uncured for thirty (30) days following Pegasystems' written notice to the Customer specifying the breach, Pegasystems reserves the right to either suspend or terminate Customer's use of the Software or Pegasystems' provision of maintenance services.

- (c) Either party may, by written notice to the other party, terminate this Agreement or any Schedule in the event a party terminates or suspends its business, becomes insolvent, admits in writing its inability to pay its debts as they mature, makes an assignment for the benefit of creditors, becomes subject to direct control of a trustee, receiver or similar authority, or becomes subject to any other bankruptcy or insolvency proceedings not dismissed within sixty (60) days.
 - (d) If the Agreement or an applicable Schedule is terminated or expires, all licenses granted thereunder will terminate and each party will return to the other, or certify in writing the destruction of, any Confidential Information (as defined below) or property of the other.
 - (e) Sections 4, 5, 6, 9 through 11, and 15 will survive the termination of this Agreement.
5. Fees. Fees and expenses are specified in the Pricing Schedule attached to DIR-Contract No. DIR-TSO-2607, as amended from time to time, and are presented in detailing Customer's specific applicable Schedule. Fees and expenses are payable in US Dollars (\$), unless otherwise specified. All invoicing and payment shall be in accordance with Sections 8.I. and 8.J of Appendix A of DIR Contract No. DIR-TSO-2607. All payments are due within thirty (30) days of the date of Pegasystems' invoice, and will be subject to a late charge of the lesser of 1.5% per month or the greatest amount permitted by law if unpaid for thirty (30) days or more from the invoice date. Once due, all fees are non-cancelable and non-refundable, except to the extent expressly provided in this Agreement or such Schedule or under applicable law. Upon termination of the Agreement or any License Schedule (or any renewal thereof), the payment obligation for all license fees for the entire applicable term will be paid to Pegasystems at the time of termination of this Agreement or the License Schedule (or any renewal thereof). License fees and maintenance fees for future years will be subject to the increase in the U.S. Consumer Price Index (All Urban Consumers) on an annual basis.
6. Taxes. As per Section 8.E. of Appendix A to DIR Contract No. DIR-TSO-2607, Standard Terms and Conditions for Product and Related Services dated 02/05/2014 and per Section 151.309, Texas Tax Code, Texas state government Customers under this Agreement are exempt from the assessment of State sales, use and excise taxes. Further, Texas state government Customers under this Agreement are exempt from Federal Excise Taxes, 26 U.S.C. §§ 4253(i) and (j). Customers shall present Pegasystems with a valid tax exempt certificate issued by the applicable taxing authority, Pegasystems shall not collect state sales, use or excise taxes. If it is determined that a Customer under this Contract is not tax exempt, the following paragraphs (a) and (b) apply:
- (a) Customer is responsible for any applicable taxes, including sales, use, GST, VAT, customs, or excise tax, excluding only those taxes based upon the net income of Pegasystems.
 - (b) Certain states in the United States may not tax Internet (web) delivery of software (or provide for a reduced tax). The list of these no tax states is subject to change (without notice) and is dependent on individual state laws. By checking the box on the applicable License Schedule, the Customer may elect for ALL Software from Pegasystems to be delivered via the Internet. The Customer acknowledges and agrees that if sales tax shipment rules change; if there is an error in the interpretation of these tax rules; or if a final determination by a taxing authority – by ruling or by audit – concludes that the sale is subject to sales tax, the Customer accepts responsibility for any sales tax assessed on the Software, maintenance and or services provided under this electronic shipment election.
7. Escrow of Source Code.
At Customer's written election and expense, Pegasystems will escrow the source code to the Software with Iron Mountain Intellectual Property Management, Inc., or Pegasystems' then-current escrow agent. Customer will pay for all escrow agent costs and fees associated with the escrow account, including the costs for any verification of the deposit materials.



8. Representations and Warranties.

- (a) Each party represents and warrants that entering into and carrying out the terms and conditions of this Agreement will not violate or constitute a breach of any obligation binding upon it; that each party will comply with all applicable laws in connection with its performance under this Agreement; and that the executing persons have the authority to bind their respective parties.
- (b) Pegasystems warrants that for a period of ninety (90) days from initial acceptance of the Software:
 - (i) The Software will operate substantially in accordance with its Documentation; and
 - (ii) No disruptive or corrupting software will be coded or introduced into the Software by Pegasystems or its employees. Customer will conduct virus-checking procedures before allowing installation or using the Software, and for each new version, upgrade or service pack.
- (c) Pegasystems will, at its election, promptly repair the Software to resolve any failure or breach of the foregoing warranties, which can be replicated or verified, or replace the Software with a corrected version. These remedies will be Customer's exclusive remedy for any failures or breaches of the foregoing warranties. In order for Customer to invoke these remedies, Customer must provide written notice to Pegasystems within the warranty period in accordance with Section 15 of this Agreement, expressly outlining the nature of the alleged failure or breach.
- (d) The foregoing warranties will be void to the extent that any failure or breach of such warranties is caused by (i) anyone other than a Pegasystems employee modifying the Software (unless Pegasystems authorizes the change in writing), or (ii) non-Pegasystems' software or hardware.
- (e) Pegasystems warrants that all services provided under this Agreement will be performed in a professional manner, consistent with industry standards.
- (f) EXCEPT AS EXPRESSLY STATED IN THIS SECTION, PEGASYSTEMS MAKES NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE OR NON-INFRINGEMENT.

9. Confidentiality. Unless otherwise explicitly provided by federal or state law:

- (a) **"Confidential Information"** means all non-public information provided by or on behalf of a party to the other party related to the disclosing party's business, including but not limited to Pegasystems' Software and Documentation. For the avoidance of doubt, Customer's Confidential Information also includes any information that is protected by applicable law, statute or regulation, including the Health Insurance Portability and Accountability Act and the Gramm-Leach Bliley Act.
- (b) Each party agrees that any Confidential Information it receives from the other is the exclusive proprietary property of the disclosing party and may include trade secrets and other highly confidential information.
- (c) Each party agrees to receive and hold any Confidential Information in confidence and agrees:
 - (i) not to disclose or publish any Confidential Information to third parties;
 - (ii) not to use any Confidential Information except for those purposes specifically authorized by the disclosing party;
 - (iii) not to use any Confidential Information to unfairly compete with the disclosing party;
 - (iv) to restrict access to Confidential Information to those of its officers, directors, agents and employees who have a need to know, have been advised of the confidential nature of the Confidential Information, and who are under obligations of confidentiality to the receiving party; and
 - (v) to follow the other party's reasonable on-site security procedures.
- (d) The above confidentiality provisions will not apply to information that:
 - (i) is in the public domain at the time of its disclosure;
 - (ii) is disclosed with the prior written consent of the disclosing party;
 - (iii) becomes known to the receiving party from a source other than the disclosing party, provided such source is legally entitled to have and disclose the information;
 - (iv) is independently developed by a receiving party without use of the Confidential Information of the disclosing party, as demonstrated by written records of such receiving party; or
 - (v) is required to be disclosed by a court or regulatory authority or because of laws, rules or regulations.
- (e) Pegasystems will own and be free to use any ideas or suggestions that directly relate to Pegasystems' products or business and do not contain Customer Confidential Information. For example, Pegasystems will be free to incorporate any suggested repairs, fixes, changes or modifications to the Software into its



products.

For avoidance of doubt, Pegasystems acknowledges that the Texas Public Information Act, Sections 552.001 et seq, of the Texas Government Code, provides specific procedures for handling requests to access or view information in the possession or control of a Texas governmental body or its officers and employees. Pegasystems hereby notifies Customer that the Software, instructional materials, handbooks, proprietary materials (including patents, copyrights and trade secrets) and other Confidential Information constitutes sensitive commercial business information and trade secrets of Pegasystems. As such, disclosure of Pegasystems Confidential Information will cause significant competitive harm to Pegasystems.

10. Indemnification.

Pegasystems will indemnify Customer from, and defend Customer against, any third party claim that the Software infringes upon a United States trademark, copyright, trade secret or patent ("IPR"), provided the Software has not been modified by Customer or a third party. In the event that the Software is found to be infringing or if Pegasystems deems it advisable as a result of a claim or threatened claim, Pegasystems will, in its reasonable discretion:

- (a) (i) procure for Customer the right to continue using the Software;
- (b) (ii) replace or modify the Software so that it becomes non-infringing; or
- (c) (iii) in the event that Pegasystems cannot reasonably do the foregoing in its discretion, terminate the particular Schedule to which the IPR infringement claim relates and refund the Software license fees associated with such Schedule, depreciated on a straight-line five (5) year basis.
- (d) To the extent permitted by law, Customer will indemnify Pegasystems from, and defend Pegasystems against, any claim from a third party (other than an IPR claim) arising from any use of the Software by Customer that is not in compliance with the terms of this Agreement or the applicable Schedules.
- (e) In asserting any claim for indemnification, the relevant party must provide prompt written notice describing the claim, and cooperate in all reasonable ways with the indemnifying party. The indemnifying party will be entitled to control any proceedings or litigation for which it is indemnifying the other party, except that the indemnifying party will not, without the other party's prior written consent (not to be unreasonably withheld), enter into any settlement that would require the other party to take any action, or refrain from taking any action, other than permitting the indemnifying party to pay money damages on its behalf. To the extent required by law, when Texas state agencies are named defendants in an IPR infringement claim, in such cases Pegasystems shall obtain the concurrence of the Office of the Attorney General to any settlement which concurrence shall not be unreasonably withheld. Further, to the extent expressly required by law, when Texas state agencies are named defendants in an IPR infringement claim, Pegasystems shall coordinate defense of the claim with the Texas Attorney General's Office as counsel for named state agency defendants.

11. Limitation of Liability. To the extent permitted by law, each party will have unlimited recourse against the other party for the following types of actual, direct damages arising under, or related to, this Agreement:

- (a) damages resulting from personal injury, death or tangible property damage caused by the other party or its personnel;
- (b) damages, and related legal costs and reasonable attorneys' fees, for which the other party has agreed to provide indemnification under this Agreement; or
- (c) damages resulting from a breach of a party's confidentiality obligations under this Agreement.

All other damages arising under, or related to, this Agreement (regardless of the type of damages, and whether for breach of contract, breach of warranty, tort or otherwise) will be limited to the amount of fees received by Pegasystems from Customer in connection with the Schedule(s) under which such damages arose, or to which such damages relate (except any claim by Pegasystems for payments owed by Customer will be limited to the amount owed).

12. Outsourcing. Customer will be permitted to allow a third party service provider to operate the Software as part of a technology outsourcing arrangement or to assist Customer in the development of an application, provided that:

- (a) such use is solely for the benefit of Customer and subject to the terms and conditions of this Agreement; and
- (b) Customer obtains Pegasystems' prior written consent, which will not be unreasonably withheld.



SOFTWARE LICENSE & MAINTENANCE AGREEMENT

13. Notices. Any notices under this Agreement will be in writing and sent by certified mail, return receipt requested, or by a nationally or internationally recognized overnight delivery service, to:

Pegasystems: Pegasystems Inc.
101 Main Street
Cambridge, MA 02142-1590 USA
Attention: General Counsel

Customer:

Attention:

14. Insurance. During the term of this Agreement and for so long as any Schedule has not been terminated or expired, Pegasystems will maintain insurance coverage with limits no less than those specified in Section 10.N. of Appendix A. of DIR Contract No. DIR-TSO-2607, Standard Terms and Conditions for Product and Related Services dated 02/05/2014. Pegasystems will give Customers and Texas DIR thirty (30) days' notice in the event of policy cancellation.

The insurance companies used must be rated at least A- by A.M. Best's Rating Service or equivalent. Upon written request by the Customer, Pegasystems will provide a Certificate of Insurance evidencing the required insurance or Customer may obtain such certificate directly from: <http://www.marsh.com/moi?client=D133>.

15. General.

- (a) The parties agree that they will cooperate at all times in good faith. In the event of any dispute, which cannot be readily resolved within thirty (30) days, the parties will each escalate the matter to senior management who will meet in person or by telephone within fifteen (15) days of receipt of notice of the dispute, to attempt to resolve the open issues.
- (b) Neither party may assign or delegate any rights or responsibilities under this Agreement or any Schedule without the other party's prior written consent, which will not be unreasonably withheld, except that either party may assign the entirety of its rights and obligations under this Agreement (i) to its parent company or an Affiliate, or (ii) in connection with a merger or sale of a business unit or majority stock ownership, provided that the successor party assumes the rights and obligations in writing and has adequate resources to meet its obligations, and subject to the terms of Section 15(c) and Customer notifies Pegasystems in writing at least thirty (30) days prior to such an assignment. Customer will not assign the Agreement to a Pegasystems competitor, which will be defined as any entity that licenses software that has a primary function of business rules and/or business process management. Any assignment is subject to the terms and conditions of this Agreement.
- (c) In the event that Customer should merge with, acquire, or be acquired by another entity (collectively, a "Combination"), the resulting combined entity (the "Combined Entity") may only use the Software within the scope of the Customer's operations at the time of the Combination. In addition, the parties will negotiate in good faith a proportionate adjustment to the fees due under this Agreement as a result of the Combination.
- (d) Pegasystems and Customer agree that each will execute and deliver documents, including confirmations to Pegasystems auditors, and take such other actions as may reasonably be requested to effect the transactions contemplated by this Agreement. Pegasystems reserves the right, upon its reasonable request, to audit Customer's compliance under this Agreement.
- (e) Performance delays due to Forces Majeure shall be in accordance with Section 11.C. of Appendix A. to DIR Contract No. DIR-TSO-2607, Standard Terms and Conditions for Product and Related Services dated 02/05/2014.
- (f) Neither a failure of a party to exercise any power or right under this Agreement, nor a custom or practice of the parties with regard to the terms or performance under this Agreement, will constitute a waiver of the rights of such party to demand full compliance with the terms of the Agreement.
- (g) This Agreement may be signed in counterparts, including facsimile counterparts or electronic signatures, each of which will be legally binding.



SOFTWARE LICENSE & MAINTENANCE AGREEMENT

- (h) The DIR Contract No. DIR-TSO-2607, this Agreement, and its Schedules constitute the entire understanding of the parties with respect to the Software and supersedes all previous agreements, statements and understandings from or between the parties regarding the subject matter of this Agreement. This Agreement also supersedes any conflicting pre-printed language contained in any applicable past or future purchase order forms regarding the subject matter of this Agreement. This Agreement shall not be modified except in a writing signed by an authorized representative of each party.
- (i) If any portion of this Agreement is declared by a court of competent jurisdiction to be overbroad or unenforceable, the remainder of this Agreement will be valid and enforceable to the fullest extent permitted.
- (k) This Agreement will be governed by the laws of the State of Texas, excluding its conflicts of laws provisions.
- (l) The export and re-export of the Software and any Pegasystems technology is subject to export controls under the laws and regulations of the United States, and may also be subject to export and import controls under the laws and regulations of other countries. Customer agrees, at all times, to comply fully with these controls, laws and regulations. Furthermore, Customer represents and warrants that it is not subject to the restrictions of the export control laws and regulations of the United States.
- (m) *This subsection applies when any Software is acquired directly or indirectly by or on behalf of the United States Government:* The Software is a commercial product, licensed on the open market; developed entirely at private expense; and without the use of any U.S. Government funds. Use, duplication or disclosure by the U.S. Government is subject to restrictions as set forth in subparagraph (c) of the Commercial Computer Software Restricted Rights clause at FAR 52.227-19. Use, duplication and disclosure by DOD agencies is subject solely to the terms of this Agreement as stated in DFARS 227.7202.



LICENSE SCHEDULE No.

THIS LICENSE SCHEDULE is entered into as of _____, 20__ (the “**Effective Date**”) by and between Pegasystems Inc. (“**Pegasystems**”) and the Customer identified below and is subject to the terms and conditions of the Master Software License, Maintenance and Professional Services Agreement (the “**Agreement**”) dated _____, 2010 _____. In the event of a conflict between the terms of the Agreement and this License Schedule, this License Schedule shall control.

GENERAL INFORMATION		
Name of Customer	State of Texas	
Address		
Billing Contact	Name	
	Address	
	Tel / Fax / Email	
Sales Contact	Name	
	Address	
	Tel / Fax / Email	

License. Pegasystems grants the Customer a license to use the Software on a System on the following terms:		
Software	<ul style="list-style-type: none">• [INSERT PRODUCT NAMES]• The Services and Connectors specified below	
Licensed Purpose	Customer may use the Software listed above to [INSERT PURPOSE CLAUSE].	
Affiliate Use Permitted	Yes _____ No _____	
System Usage Rights	Services and/or Connectors	A total of X Services and/or Connectors now generally available. For the avoidance of doubt, each Service and Connector allows integration with an unlimited number of applications using the applicable integration method.
	No. of Regular Users	
	No. of Occasional Users	
	No. of annual Invocations	
Term	Perpetual	
Delivery & Acceptance	The Software will be accepted upon delivery (“Acceptance”). This Acceptance is not dependent on any remaining services, conditions, or contingencies, and there are no other written or verbal agreements with respect to this acceptance.	
Delivery	Check this box if the Software has already been delivered.	
	Check this box to receive delivery by electronic means.	
	Country and state (if applicable) for Software delivery	
	Email address for electronic delivery	
License Fee	US\$	
Payment	One- time payment to be invoiced on Effective Date	

Annual Software Maintenance. Pegasystems will provide maintenance as follows:		
The [INSERT LEVEL] level of Maintenance as more fully described in the Maintenance Schedule attached to the Agreement		No Maintenance to be provided
		[INSERT LEVEL] Level ([INSERT %]) of applicable license fee
Annual Maintenance Fee	US\$	
Term Start Date	Effective Date of License	
Maintenance Term and Payments	Annual, with renewals and annual payments in accordance with Section 3 of the Agreement	



SOFTWARE LICENSE & MAINTENANCE AGREEMENT

IN WITNESS WHEREOF, the parties hereto, through their duly authorized officers, have executed this License Schedule.

Pegasystems Inc.

By: _____

Name: _____
(type or print)

Title: _____
(type or print)

Date: _____

Customer

By: _____

Name: _____
(type or print)

Title: _____
(type or print)

Date: _____



STANDARD MAINTENANCE SCHEDULE

This Maintenance Schedule is a binding agreement that is incorporated by reference into, and made a part of, the Software License & Maintenance Agreement dated _____, 20__ and all applicable License Schedules with Pegasystems Inc. (together, the "Agreements"). In the event of a conflict between the terms of the Agreements and the terms of this Maintenance Schedule, the terms of this Maintenance Schedule will control.

Pegasystems will provide Customer maintenance services comprising Problem Resolution, Software Updates, Upgrades and access to the Pega Developer Network (together, "Support"). Pegasystems will provide Support in accordance with the procedures described in the Pegasystems Customer Support Handbook, as updated from time to time. Pegasystems may not update the Customer Support Handbook in a manner that would materially and adversely affect the rights of Customer to Support under this Maintenance Schedule.

Pegasystems will support Customer's use of the Software irrespective of its version as long as Customer renews this Maintenance Schedule for additional terms, but reserves the right to negotiate an additional Support fee if Customer is using a release older than three versions from the then-most current version.

Problem Resolution

Pegasystems will repair errors or problems with the Software so that the Software operates in substantial accordance with its Documentation. Problem Resolution includes:

- Telephone Support: Pegasystems will accept calls from Customers' designated contacts and work with the Customer to provide relief and/or a permanent solution.
- Customers designated contacts: Customer may change these contacts upon written notice to Pegasystems. Additional contacts may be added for an additional fee.
- Access: Access to Customer's systems shall be controlled at all times by the Customer. Access shall be provided to Pegasystems on an as needed basis, as approved by Customer. Customer agrees to allow Pegasystems to use a software tool to view Customer's desktop environment using a secure, encrypted connection in order to allow Pegasystems to provide real time response, access and resolution of issues or to promptly apply critical Software repairs. During any Support session in which Pegasystems has electronic access to Customer's systems, access to such systems must include persistent connectivity with reasonable throughput and bandwidth available to perform all necessary functions. All changes by Customer to electronic access should be communicated to Pegasystems in a timely manner.

The scope of Problem Resolution is as described in Table A and Table B below:

Support Table A	
Problem Resolution Coverage	Standard
Coverage	9AM – 5PM standard business days, if: in the US, US ET; in Europe, GMT; in Asia Pacific, Australian ET
Up to specified number of "Defined Names" authorized to contact Pegasystems for Technical Support	Up to 3 contact names
Number of Calls	Unlimited
Telephone support within coverage hours	Included
Secure access to Knowledge Base FTP site	Included
Severity 1 Target Response Time	1 hour *
Severity 2 Target Response Time	1 hour *
Severity 3 Target Response Time	4 hours *
Severity 4 Target Response Time	8 hours *
* Initial response during standard business days	



Support Table B	
Severity Level	Severity Level Description
1	Severity 1 is used in instances in which the Pegasystems production system is down or the Software is otherwise unusable resulting in massive disruption of production use. Pegasystems' goal for providing initial relief (such as an alternative method to restore system operations) for Severity 1 cases is within 4 hours. The timeframe for providing a permanent resolution for Severity 1 issues is dependent upon the specific situation, and is typically jointly determined by Customer and Pegasystems' support manager. Severity 1 cases are eligible for continuous effort by Pegasystems support personnel, provided that Customer's resources, are made similarly available, until relief is provided.
2	Severity 2 problems include those that involve disruption of a major feature or function of the Software due to a defect and have a significant impact on production (but do not result in extended downtime), or severely impair development efforts. The time frame for providing a permanent resolution for Severity 2 issues is dependent on the specific situation, and is typically jointly determined by the Customer and Pegasystems' support manager.
3	Severity 3 is Pegasystems' default severity, and is always used for new cases unless otherwise requested by Customer. Severity 3 problems include those that involve the failure of a feature or function which results in the Software not working as described in the Documentation.
4	Severity 4 problems include general questions about Software usage/functionality that do not involve errors. Non-Software issues such as requests for support network web site access, problems using the support network, or other issues that do not impact usability of the Software also fall into this category.

Pegasystems is not responsible for errors caused by (a) non-Pegasystems' software or hardware, (b) unauthorized modifications to the Software, or (c) failure to follow the operating procedures described in the Software documentation, or those errors that Customer cannot reproduce under test conditions.

Software Updates

Software Updates support the evolution of the Software. They periodically consist of:

- Service Packs: sets of modifications for published generally available Software releases primarily designed to address functional defects only.
- Documentation Updates: reflect changes to Software, documentation and help files.

Upgrades

Upgrades provide new functionality and enhancements to the Software within the functional domain of the licensed components.

Installation of Software Updates and Upgrades by Pegasystems' personnel can be provided at Pegasystems' then-current hourly professional services fees, plus applicable expenses.

Pega Developer Network

The Pega Developer Network ("PDN") is the primary technical resource for Customer's Software developers and system administrators. The PDN contains a broad range of technical articles including troubleshooting and "How-To" information, a comprehensive and searchable knowledgebase to help developers speed their application development, and a library of shared component examples, and copies of formal product documentation and PRPC Help systems. The PDN also enables members to access Pegasystems' on-line support resources in order to submit defect reports and enhancement suggestions, and to review all issues associated with the user's PDN account.



In the event that Customer believes that any support obligation specified in this Maintenance Schedule has not been provided within the required timeframes or specifications, the following escalation process will apply:

Escalation Process			
If escalation is needed, Customer should:			
<ul style="list-style-type: none">• Call Pegasystems' Global Customer Support using the phone number in the Pegasystems Customer Support Handbook.• Provide the Support engineer with your service request (SR) number and ask to speak to a Support manager.• Escalation begins from time that the service request is called in by Customer and clarified and understood by Pegasystems.• A Support manager will ensure that appropriate additional resources are engaged until the issue is resolved to Customer's reasonable satisfaction or until the matter is closed.			
Severity Level	<u>Escalation Levels</u>		
	<u>Senior Customer Support</u>	<u>Customer Support Manager</u>	<u>Development/Engineering</u>
1	Within 2 hours	Within 4 hours	Within 4 hours
2	Within 4 hours	Within 8 Hours	After 1 business day
3 or 4	Within 2 business days	Within 2 business days	After 3 business days



PREMIUM MAINTENANCE SCHEDULE

This Maintenance Schedule is a binding agreement that is incorporated by reference into, and made a part of, the Software License & Maintenance Agreement dated _____, 20__ and all applicable License Schedules with Pegasystems Inc. (together, the "Agreements"). In the event of a conflict between the terms of the Agreements and the terms of this Maintenance Schedule, the terms of this Maintenance Schedule will control.

Pegasystems will provide Customer maintenance services comprising Problem Resolution, Software Updates, Upgrades and access to the Pega Developer Network (together, "Support"). Pegasystems will provide Support in accordance with the procedures described in the Pegasystems Customer Support Handbook, as updated from time to time. Pegasystems may not update the Customer Support Handbook in a manner that would materially and adversely affect the rights of Customer to Support under this Maintenance Schedule.

Pegasystems will support Customer's use of the Software irrespective of its version as long as Customer renews this Maintenance Schedule for additional terms, but reserves the right to negotiate an additional Support fee if Customer is using a release older than three versions from the then-most current version.

Problem Resolution

Pegasystems will repair errors or problems with the Software so that the Software operates in substantial accordance with its Documentation. Problem Resolution includes:

- **Telephone Support:** Pegasystems will accept calls from Customers' designated contacts and work with the Customer to provide relief and/or a permanent solution.
- **Customers designated contacts:** Customer may change these contacts upon written notice to Pegasystems. Additional contacts may be added for an additional fee.
- **Access:** Access to Customer's systems shall be controlled at all times by the Customer. Access shall be provided to Pegasystems on an as needed basis, as approved by Customer. Customer agrees to allow Pegasystems to use a software tool to view Customer's desktop environment using a secure, encrypted connection in order to allow Pegasystems to provide real time response, access and resolution of issues or to promptly apply critical Software repairs. During any Support session in which Pegasystems has electronic access to Customer's systems, access to such systems must include persistent connectivity with reasonable throughput and bandwidth available to perform all necessary functions. All changes by Customer to electronic access should be communicated to Pegasystems in a timely manner.

The scope of Problem Resolution is as described in Table A and Table B below:

Support Table A	
Problem Resolution Coverage	Premium
Coverage	<ul style="list-style-type: none">• For Severity 1 (Down Production Emergencies): 24 X 7• For all other Severity Levels: 9AM – 5PM standard business days, if: in the US, US ET; in Europe, GMT; in Asia Pacific, Australian ET
Up to specified number of "Defined Names" authorized to contact Pegasystems for Technical Support	Up to 5 contact names
Number of Calls	Unlimited
Telephone support within coverage hours	Included
Secure access to Knowledge Base FTP site	Included
Severity 1 Target Response Time	15 minutes **
Severity 2 Target Response Time	1 hour *
Severity 3 Target Response Time	4 hours *
Severity 4 Target Response Time	8 hours *
* Initial response during standard business days	
** Initial response, 24x7	



Support Table B	
Severity Level	Severity Level Description
1	Severity 1 is used in instances in which the Pegasystems production system is down or the Software is otherwise unusable resulting in massive disruption of production use. Pegasystems' goal for providing initial relief (such as an alternative method to restore system operations) for Severity 1 cases is within 4 hours. The timeframe for providing a permanent resolution for Severity 1 issues is dependent upon the specific situation, and is typically jointly determined by Customer and Pegasystems' support manager. Severity 1 cases are eligible for continuous effort by Pegasystems support personnel, provided that Customer's resources are made similarly available, until relief is provided.
2	Severity 2 problems involve disruption of a major feature or function of the Software due to a defect and have a significant impact on production (but do not result in extended downtime), or severely impair development efforts. The time frame for providing a permanent resolution for Severity 2 issues is dependent on the specific situation, and is typically jointly determined by the Customer and Pegasystems' support manager.
3	Severity 3 is Pegasystems' default severity, and is always used for new cases unless otherwise requested by Customer. Severity 3 problems include those that involve the failure of a feature or function which results in the Software not working as described in the Documentation.
4	Severity 4 problems include general questions about Software usage/functionality that do not involve errors. Non-Software issues such as requests for support network web site access, problems using the support network, or other issues that do not impact usability of the Software also fall into this category.

Pegasystems is not responsible for errors caused by (a) non-Pegasystems' software or hardware, (b) unauthorized modifications to the Software, or (c) failure to follow the operating procedures described in the Software documentation, or those errors that Customer cannot reproduce under test conditions.

Software Updates

Software Updates support the evolution of the Software. They periodically consist of:

- Service Packs: sets of modifications for published generally available Software releases primarily designed to address functional defects only.
- Documentation Updates: reflect changes to Software, documentation and help files.

Upgrades

Upgrades provide new functionality and enhancements to the Software within the functional domain of the licensed components.

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